

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2019-368-E - ORDER NO. 2019-857  
DECEMBER 11, 2019

IN RE: Application of Duke Energy Carolinas, LLC	)	ORDER APPROVING
for Approval of the Transfer of Property in	)	THE TRANSFER OF
Connection with a Lease Financing	)	PROPERTY IN
Arrangement	)	CHARLOTTE, NORTH
	)	CAROLINA

Pursuant to S.C. Code Ann. Section 58-27-1300, this matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Carolinas, LLC (“DEC” or “Company”) for approval of the transfer of a parcel of real estate located in Charlotte, North Carolina (“Property”) as part of a leaseback financing arrangement by which the Company will finance the development and construction of an office building.

The Property was acquired by DEC in 2017 for the purpose of developing a corporate headquarters office building and to support the consolidation of the Company’s previous workspaces. The Property is located in the DEC service territory in North Carolina and has been accounted for as utility property. The Property was bought by DEC in 2017 for \$27,500,000 and will be sold at cost as part of the authorized sale/leaseback financing arrangement to a financial counterparty. The Company explains that, while the Commission authorized the Company to undertake leaseback financing arrangements through Order No. 2019-434, Docket No. 2018-218-E (June 12, 2019), the Company filed

the Application because the arrangement technically involves the sale and transfer of utility property as part of the leaseback financing arrangement, and therefore Commission authorization is necessary under S.C. Code Ann. § 58-27-1300. The Company further represents that it has recently reached a point where investors have been identified and the parties seek to close the financing upon favorable terms in order to obtain financing that will benefit the Company and its customers.

The South Carolina Office of Regulatory Staff has been served with a copy of the Application and exhibits and does not object to the sale. Further, no opposition to the request has been filed in the Docket.

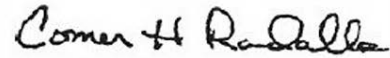
IT IS THEREFORE ORDERED:

Under Section 58-27-1300, Commission approval is required for regulated electric utilities seeking to sell real property with a fair market value in excess of \$1,000,000. The Property, which is part of DEC's North Carolina service area but is also included in its South Carolina rate base, meets this requirement for approval.

We have examined this matter, and we approve the sale and transfer. The record shows that the sale is just and reasonable, and the Company proposes to properly account for it in its books.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Comer H. "Randy" Randall, Chairman

ATTEST:



Jocelyn Boyd, Chief Clerk/Executive Director